PET 6 LIBYA

Department of State TELEGRAM

SECRET 223

PAGE 01 TRIPOLI 00547 161633Z

EXCISE

40
ACTION AF-19

INFO OCT-01 ARA-12 EUR-20 EA-15 NEA-13 TRSY-11 INT-06
OEP-01 JUS-02 CIAE-00 DODE-00 PM-05 H-02 INR-08 L-04
NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-20 USIA-12 COM-08
E-15 TRSE-00 RSR-01 /190 W
058918

P R 161501Z MAR 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 7531
INFO USINT ALGIERS
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY BONN
AMEMBASSY BRUSSELS
USMISSION/EC BRUSSELS
AMEMBASSY CARACAS
AMCONSUL DHAHRAN
AMEMBASSY DJAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
USMISSION NATO
USMISSION/OECD PARIS
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY THEHAGUE
AMEMBASSY TOKYO
AMEMBASSY VIENNA

S E C R E T TRIPOLI 547

SUBJECT : LIBYAN OIL NEGOTIATIONS.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 6/22/11
PORTIONS DENIED AS INDICATED

Tripoli 547 3-16-71

SECRET
29

REFERENCE: TRIPOLI 543.

[redacted] B4

2. DESPITE AMBIGUITIES IN PRESENT SITUATION, COMPANIES SEEM TO HAVE BEEN SHAKEN BY OUTCOME OF OIL MINISTERS' MEETING. THEY SEEM TO HAVE CONCLUDED THAT LIBYA CAN COUNT ON AT LEAST IRAQ AND ALGERIA TO SUPPORT ITS PRICE DEMANDS BY JOINING EMBARGO AND THAT ALGERIA AND LIBYA ARE DETERMINED TO FORCE PRICE SETTLEMENT IN MEDITERRANEAN HIGH ENOUGH TO UNDERMINE TEHRAN AGREEMENT - WHICH BOTH COUNTRIES CONSIDER TO HAVE BEEN GRAVE MISTAKE BECAUSE OF ITS FIVE-YEAR APPLICABILITY. IF LIBYA DOES HAVE PLEDGE OF EMBARGO SUPPORT FROM IRAQ AND ALGERIA (INCLUDING SONATRACH-CONTROLLED PRODUCTION), AS COMPANIES FEAR IT MAY, THEY ARE CONCERNED THAT OIL SHORTAGE INTOLERABLE TO GOVERNMENTS OF CONSUMING COUNTRIES COULD RESULT IF THEY STAND FIRM.

3. COMPANIES ARE NOW CONSIDERING WHAT THEIR NEXT MOVES SHOULD BE. [redacted] B4
THESE MAY INCLUDE CONSULTATIONS BETWEEN COMPANIES AND CONSUMER GOVERNMENTS. [redacted] B4
[redacted] GP-3.

PALMER